(iii) Conslilution of a Committee to formulate long-term strategy and plan for tea for the country including region specific problems.

In addtion, tea estates of Uttar Pradesh are also eligible to avail of the benefits of the Board's various developmental schemes.

Land under forests

1388. DR. RATNAKAR PANDEY;

Will the Minister of ENVIRONMENT AND FORESTS be pleased to state;

(a) the land under forests as in 1976 and the average precipitation in the country;

(b) the land under foresls in 1986 and the average precipitation;

(c) whether any scientific study has been undertaken as regards the nexus between forests and precipitation; and

(d) if so, the findings and the outcome thereof?

THE MINISTER OF STATE OF THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI Z. R. ANSARi); (a) and (b) The area recorded legally as forest both in 1976 and 1986 was approximately 75 million hectares. No separate survey has been done to assess the actual area with forests cover for the year 1976 and 1986. The average precipitation for the year 1976 and 1986 was 110 cm. and 104 cm. respectively.

(c) and (d) Studies made in this regard suggest that vegetation influences the regional variation and intensity of precipitation to some extent. No definite conclusion, has however, been drawn from such studies.

Lowering of interest rate charged from farmers on bank loans

1389. SHRI AJIT P. K. JOGI;
SHRI DURGA PRASAD JAMUDA;

Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that the com mercial banks advances loans to farmers at a very high rate of interest *i. e.,* around^ 15 per cent whereas even to certain cate gories of industries loans are advanced at a much lower rate;

(b) whether in view of the meagre returns from agriculture, Government are considering lowering interest rate for farmers: and

(c) whether it is also a fact that even in developed countries such a high interest rate is not charged from the farmers?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEI-RO): (a) No, Sir. Interest rates on short-term Agricultural Advances are so structured thai majority of farmers get short-term finance at relatively lower rate than would be available for borrowers in other sectors

(b) In order to give further relief to farmers, Reserve Bank of India has announced reductions in interest rates charged for agricultural production credit Comparative position with regard to rata of interest charged prior to 1st March, 1988

and effective rate of interest from 1st March, 1988 is indicated below:—

Short-term Agricultural loans to farmers	Rate of interest (% age per annum) upto end of Feb. 1988	effective from 1-3-1988
Upto Rs. 5000/-	11-5	10.0
Over Rs. 5000/-and upto Rs. 7500/-.	12-5	10-0
Over Rs. 7500!-and upto Rs. 10,000/-	12.5	11.5
Over Rs. 10,000/and upto Rs. 15,000/- .	12.5 to 140	11.5
Over Rs. 15,000/-and upto Rs. 25,000/- .	. 125 to 14.0	125 to 14.0
Over Rs. 25,000/-.....	140 to 15.0	14.0 to 150

(c) It may not be appropriate to compare the rlending rates in India with the ones prevailing in other countries having different levels of economic development and priorities. The Reserve Bank of India has laid down different interest rates for different class of borrowers/activities and the element of concessionality of lending rates is linked to the size of the loan and the priorities accorded. While under Differential Rates of Interst Scheme, loans are given to small/marginal farmers at an annual interest rate of 4 per cent, the interest rate on crop loans above Rs. 25,000/- is 15 per cent per annum. The rate of interest for minor irrigation and land development, for all categories of *Msrs* is only 10 per cent per annum. Thus the rates of interest for activities in Agricultural sector are comparatively less than the rates prescribed for the sectors.

Bank branches in rural areas

1390. SHRI AIIT P. K. JOGI: SHRI DURGA PRASAD JAMUDA:

Will the Minister of FINANCE be pleased to state:

(a) what is the number of branches of commercial banks which are catering to nearly 80 per cent of the rural and agricultural population of the country as compared to their number which mainly cater to the remaining 20 per cent of the nation's population living in urban areas;

(b) whether Government are planning to take any steps to correct this imbalance which favours the urban minority as against the rural majority of the country;

(c) if so, what are the details thereof; and

(d) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALSI-RO): (a) to (d) Reserve Bank of India (RBI) has reported that as at the end of September, 1987 54163 branches of commercial banks were functioning in the country as per details given below:—

Rural	- 30463
Semi-Urban	-10659
Urban	-7240
Metropolitan .	- 5801
Port Town	

The rural and semi-urban branches constitute 76 per cent and rural branches alone constitute 56 per cent of the total bank branches in the country.

The aim of the. current Branch Expansion Policy for 1985—90 is to achieve a coverage of 17,000 population in the rural and semi-urban areas of each block and location of at least one bank office